



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

September 17, 2008

Richard Kondo, Training Manager
General Mills Operations, Inc.
1055 Sandhill Avenue
Carson, CA 90746

Dear Mr. Kondo:

RE: **FINAL MONITORING VISIT REPORT** for General Mills Operations, Inc. – **ET07-0190**

Date of the Visit:	09/17/08
Beginning/Ending Time:	9:00 a.m. – 12:00 p.m.
Date of Last Visit:	12/06/08
Visit Location:	Carson
Persons in attendance:	Richard Kondo, Training Manager, General Mills Operations, Inc. Elsa Wadzinski, Contract Analyst, Employment Training Panel
Action Required:	No

Term of Agreement:	11/07/06 – 11/06/08	Agreement Amount:	\$236,880
Training Start Date:	11/07/06	No. to Retain:	280
Date Training must be Completed:	08/05/08	Range of Hours:	24 – 200
Type of Trainee:	Retrainee	Weighted Ave. Hours:	47

SUMMARY OF ACTION

REQUIRED FROM THIS VISIT:

None

FINAL REPORT SUMMARY:

The Agreement was executed on December 5, 2006 and training began on November 7, 2006. Your project staff reported that all ETP training was completed on August 7, 2008, which allows

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ETP (05/16/2007)

for the 90-day retention period to be completed within the term ending date of the Agreement – November 6, 2008.

ETP approved Agreement Modification No. 1, which was executed on May 1, 2008, to revise the range of training hours from 24 to 64, to 24 to 200; accommodating trainees who were identified during the training process as requiring more training hours.

You advised the Analyst that of the 280 trainees specified on Chart 1, Exhibit A of the Agreement, 96 trainees (34%) will complete the minimum number of training hours required (24 hours) for reimbursement and the 90-day retention period. The total hours provided to trainees who met the required minimum in Job 1 are 4,765. At a reimbursement rate of \$18 per hour, General Mills will earn approximately \$85,770 (36%) of the total ETP Agreement amount, assuming all other Agreement requirements are met. Since you have been paid \$21,784.50 to date, you will receive an additional \$63,985.52 in funding if the anticipated number to retain is verified during the final fiscal closeout. The Analyst commented that all funding to date is unearned. Project staff indicated that they were waiting to submit the Final Progress Payment until all trainees in the Agreement have completed the 90-day retention.

You stated that although the company did not complete 100 percent of the training plan, as your initial plan was too aggressive, General Mills was able to provide Continuous Improvement, Manufacturing and Computer Skills training that provided employees with an upgraded skill set, enabling them to do a better job. You also commented that this training helped the company train employees on new equipment, which provided a great challenge, as the employees transitioned from mechanically based equipment, to computer based equipment, with many trainees having minimal computer experience.

In discussing what barriers you experienced in implementing your ETP program, you commented that the main challenge was being able to get employees off the production line, to attend training. You commented that prior to coming to General Mill's, your past experience was in the service industry, where it was easier to find coverage to allow people to attend training courses. Adding, in a manufacturing company, with high production demands, you can't pull someone from one machine to another, due to the need for physical operators to run the equipment.

In discussing the ETP record keeping, you indicated that your administration was provided by a third-party, and you reported that in getting familiar with ETP's websites, you found them user-friendly. It was also stated that the ETP staff provided good support throughout the Agreement. In closing, you stated that General Mills is interested in returning to ETP for another contract in the near future to complete the training plan originally submitted.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Job Number	Number Started Training	Number Enrolled in Training	Number of Trainees Dropped (following enrollment)	Number of Trainees Completed Minimum Hours	Number of Trainees Completed all Training	Number of Trainees Completed Retention
1	315	280	219	96	64	32

The project status provided by project staff agreed with the Contract Status report that indicates 315 trainees were enrolled and 219 trainees were dropped.

ATTENDANCE ROSTERS:

The Analyst reviewed attendance rosters for 27 trainees for the period of November 8, 2006 through August 7, 2008. The review of the Class/Lab Rosters revealed that the Rosters are being completed correctly and meet ETP requirements; the Agreement curriculum was provided as specified; and you are in compliance with the ratio of one trainer to 20 retrainees specified in the Agreement Training Plan.

You were advised that these findings are based only on the training records reviewed during this Visit and represent only a sample of the training records completed to date. Further that it is your responsibility to ensure that all training records are in compliance with Panel requirements for auditing purposes. [Reference: Title 22 California Code of Regulations, Section 4442)]

AUDIT:

General Mill's will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Elsa Wadzinski at (818) 755-3634 or by email at ewadzinski@etp.ca.gov within ten (10) working days from the receipt of this report.

Sincerely,

Signature on file

Dolores Kendrick, Manager
North Hollywood, Regional Office

Signature on file

Elsa Wadzinski, Contract Analyst
North Hollywood, Regional Office

cc: Chris Mangels, VP Contract Administration (via E-mail)
Training Funding Partners
Master File
Project File

Date report mailed to Contractor 9/19/08